

**REMARKS / ARGUMENTS**

Applicant again requests reconsideration of the rejection of Claims 1-39 as being obvious over the prior art. The rejection focuses on the operation of the cards themselves, and applicant's invention is directed to the use of such cards as an advertising or promotional medium, which can be printed as the last step in the fabrication of the cards.

According to the Final Rejection and the Advisory Action, applicant's arguments concerning the inadequacy of the references relied upon in rejecting the claims were directed to features that were not recited in the claims. Applicant submits, however, that the arguments submitted specifically with reference to the McCabe reference show that the McCabe reference cannot be combined with the other references relied upon in the rejection under 35 USC 103. Applicant continues to submit that the McCabe reference is basically incompatible with applicant's invention and the rejection merely picks and chooses elements from that reference in a manner that is inconsistent with the teaching of that reference. That can only be done by using applicant's invention as a template for interpreting the McCabe reference. Such hindsight interpretation of a reference is inconsistent with a rejection under 35 USC 103.

Applicant restates its earlier position that McCabe merely discloses that printed information can be included on an inaccessible surface of a card, with that printed information sandwiched between a polyester film on one side and by conductive ink on the opposite side.

"In one embodiment, various layers of ink are printed *on an inner side* of the polyester film facing (*after assembly*) the back of the smart cards. In the illustrated example, supported inks can be used to convey information such as logos and/or company names such as those illustrated at 112 which are respectively, the name of a product incorporating the invention subject matter described below and the assignee of this patent application. The logo can be *viewed through the transparent film*, and is protected (e.g. against scratching) by the thickness of the polyester film. When viewed through the film, the logo has an enhanced appearance.

"Following the application, if any, of logos or company names 112, a plurality of layers of ink are provided or formed over substrate 108 directly atop any such logos or company names. Preferably, such layers are provided to a degree to effect a complete opacity such that conductive inks and circuitry components (described below) are not viewable through the front of the card." Col 7, lines 41-59. (Emphasis added).

When read in conjunction with the assembly process in Column 8, it is apparent that this printing is one of the first steps in fabrication of a smart card in McCabe. Thereafter the printing is covered by active smart card components. This process is directly contrary to applicant's invention in which the configuration of the card itself is altered, when compared to a standard one layer card having only a front and back surface (such as the McCabe card) to provide additional area for printing information material directly on the exterior of the card. Extra information can be conveyed by employing applicant's invention, and the prior art relied upon in this rejection does not properly suggest this improvement to the prior art.

Apart from these inconsistent disclosures of McCabe, neither that reference nor any of the other reference teaches a structure in which printed informational material is on the inside facing pages of a folded card or a multi-page pamphlet. Previously pending independent claims 1, 11, 18, 21 and 31 contain such a limitation. Although Figure 3 of McCabe may appear to show a structure in which inside pages or surfaces are accessible, further examination shows that housing portions 12 and 13 are held together by glue, ultrasonic welding, etc. so that McCabe does not show a hinged card configuration. See Col. 4, lines 38-41. Figure 3 is merely an illustration intended to show the relationship of embedded structures. Furthermore, if the two sections 12 and 13 are separated so that the inside surfaces are exposed, then volatile memory is lost disabling the card. See Col. 5, lines 32-37.

Both Kokubu and McCabe are expressly incompatible with the a folded key card suitable for insertion into an electronic key card slot, and are therefore expressly compatible with the previously pending claims. The previous rejections were therefore improper and should be withdrawn.

Although the previously pending claims are still believed to be allowable over the art cited in support of the rejections under 35 USC 103, applicant has amended the claims

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in an effort to expedite consideration of this application. Claims 1 and 11 have been amended to expressly state that additional space has been provided on a key card for display of printed informational matter. Claim 18 has been amended to recite that printed matter is shown on both inwardly and outwardly facing pages, thus increasing the space available for printed information matter. Claim 21, as now amended recites that the printed information matter is visible when the smart card assembly is in the open position, but not in the closed position. Claim 31 now recites that printed matter is on opposite visible surfaces.

The Kokubu reference cannot be relied upon to reject Claim 37, even in view of other references. Kokubu does not show a card that is to be inserted into a key card reader in a folded configuration nor does it show a configuration having two *pages*. Instead Kokubu shows two halves 1a and 1b that are thick enough to receive a printed circuit board 7 and an IC chip 8. A living hinge is a structure supporting a printed circuit board would not suggest the use of a living hinge on a card thin enough to be folded and inserted into a standard card reader.

The claims now pending are believed to be allowable over the art of record and this application is believed to be in condition for allowance. Issuance of a Notice of Allowance in response to this amendment is therefore courteously solicited.

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